

Bigger Role Laid to Suspected Spy

Ex-CIA Official Believed to Have Given Top-Secret Reports to China

By MICHAEL WINES, Times Staff Writer

WASHINGTON—Accused spy Larry Wu-tai Chin, far from being merely a low-level translator for the CIA, had access to virtually every top-secret U.S. intelligence report on Asia for at least two decades and is thought to have funneled most of them to the Chinese government, senior U.S. intelligence officials said Thursday.

Government documents filed since Chin was arrested last Friday night and accused of spying for Peking have described him simply as an interpreter and retired employee of the CIA's Foreign Broadcast Information Service, which monitors foreign government broadcasts.

But intelligence officials said Thursday that Chin also served as a document-control officer during much of his career, channeling highly classified Asian reports throughout the entire U.S. intelligence community.

First Detailed Assessment

The officials, giving the first detailed assessment of last week's extraordinary string of espionage arrests, said damage by Chin far exceeds that by former National Security Agency specialist Ronald W. Pelton, accused of spying for the Soviet Union, and accused Israeli spy Jonathan J. Pollard.

Pelton, they said, is thought to have compromised a multibillion-dollar electronic espionage project within the Soviet Union that "just stopped working" in 1983 but not to have disclosed sensitive NSA codes.

The FBI and CIA are continuing investigations of the Chin affair, and at least one more arrest is possible, said intelligence and law-enforcement officials who spoke on condition that they not be identified. But the damage already has been found to be extraordinary and lasting, they said.

Among other probable effects, Chin's spying may account for the dismal results of U.S. espionage operations in China for some 20 years and probably gave the Chinese an inside look at U.S. policy during the Vietnam War, they said.

"He had access to all of it. He photographed it and he gave it to them," one intelligence source said. "It's a goddamn disaster."

The officials said the case raises further doubts about the effectiveness of American counterintelligence operations only weeks after Soviet KGB defector Vitaly Yurchenko dealt those operations an embarrassing blow by returning to Moscow.

Fooled CIA Officials

Chin, 63, so completely fooled CIA officials during his 33 years of work that the agency awarded him its career intelligence medal for superior service when he retired in 1981, officials said. The agency then hired him as a part-time consultant and tried to persuade him to resume full-time work.

One of the few bright notes in the case, they said, is that Chin's alleged spying for the Chinese was uncovered by a secret counterintelligence program.

The FBI had previously identified Chin as a translator in the CIA's broadcast service, monitoring Chinese-language publications and broadcasts. But intelligence sources said he also routed "finished intelligence products" through the CIA, the Defense Intelligence Agency, the White House and the State and Defense departments.

The work, which required top-secret clearance and access to code-word material, exposed Chin to the entire realm of analytical intelligence on all of Asia outside

the Soviet Union.

Among the documents he saw—and reportedly photographed or copied for the Chinese—were intelligence estimates used to help set national policy and reports on Asia from throughout the government sent to the CIA for review or filing.

Moreover, because Chin was one of the few CIA employees who spoke fluent Chinese, the agency routinely asked him to translate documents pilfered from the Chinese government. His knowledge of where documents were being stolen appears to have enabled the Chinese to plug most intelligence leaks to the United States for at least two decades.

In court testimony Wednesday, an FBI agent said Chin had supplied Peking with classified documents so voluminous it took translators two months to process each secret shipment.

Officials Disagree

Law enforcement officials told The Times on Thursday that Chin is not believed to have compromised any CIA operations or agents within China. But some intelligence officials disagreed.

"Sad to say, we had very few if any successful operations against the Chinese communists for 20 years," one official said. "I think you can assume that Chin played a role in that."

Chin's operations were curtailed when he became a consultant to the agency in January, 1981, but he kept his access to secret documents and continued supplying them to the Chinese at an "irregular" pace, officials said.

Repeated efforts to reach CIA spokesmen for comment Thursday were unsuccessful.

Walker Case Recalled

Law-enforcement and intelligence sources agreed Thursday that damage from the Chin and Pelton cases appears to be less than that from this summer's Walker spy ring, which betrayed vital defense codes and documents to the Soviets.

Senior intelligence officials said, however, that "there is no question that the Chinese themselves considered Chin their top penetration in the United States government."

Law-enforcement officials, while conceding the impact of the Chin case, said Thursday that they are still not convinced that the

Continued

Pelton case is less serious. But intelligence officials said the fallout from Pelton's espionage appears "well-defined, and the damage has been done."

In particular, they said, Pelton does not appear to have given the Soviets invaluable ciphers used by the NSA to code and decode some of the nation's most sensitive intelligence communications and satellite data.

Spying Lodestones

Ciphers are considered spying lodestones because they are keys that open the doors to translating reams of coded data that would otherwise be useless. If ciphers were not disclosed, the damage from the Pelton affair should be "finite," one official said.

Instead, intelligence sources say, the destruction of a hugely expensive NSA espionage project appears to be the single biggest American loss from Pelton's alleged operations.

Pelton, 44, who quit the NSA in 1979, is charged with spying for the Soviets from 1980 to 1985. The FBI contends that he met Soviet contacts in Vienna in 1980 and 1983 and disclosed "extremely sensitive" information on an intelli-

gence-collection project targeted at the Soviet Union.

Intelligence sources said the project was an electronic espionage venture, judged "a major operation" and costing billions of dollars, that mysteriously ceased functioning in 1983.

'Soviets Stopped It'

"It just stopped," one official said. "Nobody knew why. . . . What we didn't know until Yurchenko came out is that the Soviets were the ones who stopped it."

The NSA project apparently was briefly mentioned by Pelton's attorneys Wednesday during a court hearing in Baltimore, but the discussion was silenced by the judge moments after a code name, Ivy Bells, was disclosed.

Yurchenko, the supposedly high-ranking KGB defector who returned to Soviet hands early this month, has been named by the FBI as the person who led U.S. counter-intelligence experts to Pelton.

If Pelton's impact on U.S. defense and intelligence capacities is indeed largely spent, as intelligence officials appear to conclude, then that may cast fresh doubts on Yurchenko's battered credibility as a genuine Soviet defector to the United

States.

Yurchenko is known to have tipped the United States to at least two Soviet spies, leading to the arrest of Pelton and the identification of a former CIA employee, Edward Lee Howard, as a Soviet agent. Howard fled the United States and is believed to be in Moscow.

Intelligence officials acknowledge that Howard was of limited or no use to the Soviets after he reportedly betrayed a key CIA contact in Moscow earlier this year. Pelton was believed to be much more valuable to the Soviets—and, because of that, further proof that Yurchenko was a genuine defector and not a double agent.

But if Pelton gave the Soviets all the secrets he was privy to, he could have been "burned" by Yurchenko to boost Yurchenko's credibility with the CIA, at little cost to the Soviets.

The question of Yurchenko's credibility is considered important by some officials because he has given U.S. intelligence experts other important assurances, including a pledge that he knows of no Soviet "moles" within the CIA hierarchy.

Staff Writer Ronald J. Ostrow contributed to the story.